



May 13, 2014

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION

2014 MAY 22 AM 10:39

OFFICE OF GENERAL
COUNSEL

MUR # 6829

To Whom It May Concern:

Enclosed please find a sworn complaint alleging campaign finance violations by Senator Ron Johnson and/or his campaign committee and leadership PAC. Based on the enclosed complaint, we ask that you immediately begin an investigation of Senator Johnson's campaign committee, Ron Johnson for Senate, and political action committee, Strategy PAC, to determine if they have improperly failed to disclose disbursements or debts related to Senator Johnson's lawsuit against the Office of Personnel Management regarding Obamacare.

Beginning on January 6, 2014 at a press conference announcing his lawsuit, Senator Johnson has repeatedly made public statements that his campaign account will be used to pay for the suit and that he intends to raise money for the lawsuit through his campaign account. However, as the complaint sets forth, no disbursements or incurred debts for legal services related to the suit have been reported in either 2013 or 2014. It is our understanding that FEC regulations require reporting incurred debts once a contract is entered into - even if the exact amount of the debt is not known at the time of filing.

Senator Johnson appears to have taken the position, however, that he does not need to report fees until he is billed. This creates a situation in which Senator Johnson may be receiving the benefit of services (in this case legal), without publicly disclosing that benefit until a third party decides to invoice their services. Such a standard would leave campaign finance law entirely in the hands of third parties who could simply fail to ever bill for contracted services in order to skirt campaign finance limits and disclosure.

Under Johnson's interpretation, Johnson's lawyers or any other individual or vendor could wait until the senator is no longer in office before sending an invoice, keeping campaign expenditures out of the public eye for the entire duration of his public service. This result is an unacceptable violation of the transparency and openness disclosure is intended to provide.

Thank you in advance for your time and consideration.

Sincerely,

Scot Ross
Executive Director
One Wisconsin Now

MUR # 6829

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FEDERAL ELECTION COMMISSION COMPLAINT

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COUNSEL

One Wisconsin Now, by its Executive Director Scot Ross, brings this complaint before the Federal Election Commission (FEC) seeking an immediate investigation and enforcement action against Senator Ron Johnson (Ron Johnson for Senate) and Senator Johnson's PAC, Strategy PAC, for violations of FEC regulations, including but not limited to reporting and disclosure requirements.

COMPLAINANT

1. Scot Ross is the Executive Director of One Wisconsin Now is a non-profit organization, organized under section 501(c)4 of the Internal Revenue Code, with an address of 152 W. Johnson Street, Suite 214, Madison, WI 53703.
2. In furtherance of its mission to advance progressive policy and increase civic engagement, One Wisconsin Now seeks to hold elected officials and candidates for public office accountable. One of the ways One Wisconsin Now does so is to ensure the integrity of the electoral process by monitoring the campaign finance activities of Wisconsin candidates for public office.

RESPONDENTS

3. Ron Johnson is a United States Senator representing the State of Wisconsin, whose campaign committee is Ron Johnson for Senate.
4. Senator Ron Johnson also controls a political action committee, Strategy PAC.

FACTUAL ALLEGATIONS

5. On January 6, 2014, Senator Johnson held a press conference to announce he was filing suit against the Office of Personnel Management regarding its decision to allow the U.S. government to make employer contributions to lawmakers' health coverage. The Wisconsin Institute for Law & Liberty (WILL), a non-profit legal group, is representing Johnson in the suit. Johnson stated that he would be funding the lawsuit through campaign funds, which he stated was approved by the Senate Ethics Committee.
6. On April 22, 2014, in the attached article titled "38 GOP lawmakers join Ron Johnson's Obamacare lawsuit", the Washington Post reported that Johnson has said he will "use his campaign account to help raise funds for the suit, a move that will likely help him identify new financial donors for his 2016 reelection".

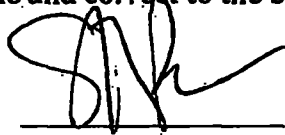
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7. Neither the fourth quarter 2013 or the first quarter 2014 report for Ron Johnson for Senate show any expenditures to or debts owed for legal fees associated with the suit to WILL or any other entity or individual.
8. Neither the fourth quarter 2013 or the first quarter 2014 report for Strategy PAC, a political action committee run by Senator Ron Johnson, show any expenditures to or debts owed for legal fees associated with the suit to WILL or any other entity or individual.
9. The FEC's Candidate Guide states that "a written agreement to make an expenditure, such as a media contract, constitutes an expenditure."
10. In a May 9, 2014 Milwaukee Journal Sentinel story, it was reported that a spokesperson for WILL stated that a retainer agreement requires that the work "be paid for, but so far WILL has not billed the Oshkosh Republican's campaign for its work on the Obamacare lawsuit."
11. The FEC's Candidate Guide includes a section of instructions for "Special Debt Reporting Problems", including reporting debts of an unknown amount. Neither Senator Johnson's campaign committee or PAC have reported a debt to WILL or any other entity or individual for legal fees to which they are contractually obligated.
12. Without disclosure of either expenses or incurred debts related to the Obamacare lawsuit, Senator Johnson is able to raise campaign funds claiming funds are needed for said expenses, without publicly disclosing any actual or incurred expense, leaving the public in the dark as to whether and how he is expending funds raised.
13. If Senator Johnson is not required to disclose this incurred expense to which one or both of his committees are legally obligated until he receives a bill, third parties could essentially fund his campaign activities for an indefinite amount of time by offering their services without submitting a bill for said services, thus circumventing campaign finance laws including disclosure.

THEREFORE, One Wisconsin Now, by its Executive Director, Scot Ross, requests that the Federal Election Commission conduct an investigation into these allegations, find Senator Johnson and his respective committees in violation of applicable FEC regulations, and impose sanctions appropriate to these violations and take such further action as appropriate.

Verification

One Wisconsin Now, by its Executive Director, Scot Ross, hereby verifies that the statements made in the above Complaint are true and correct to the best of his knowledge.



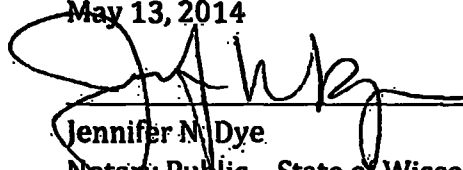
Scot Ross, Executive Director
One Wisconsin Now
152 W. Johnson St., Suite 214
Madison, WI 53703

State of Wisconsin

County of Dane

Subscribed and sworn to before me on

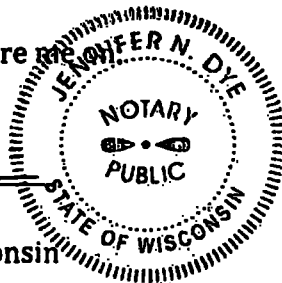
May 13, 2014



Jennifer N. Dye

Notary Public - State of Wisconsin

My commission is permanent.



1-800-4MOW-NO

By Patrick Marley of the Journal Sentinel
May 13, 2014 11:45 a.m.

That's according to two people -- Melinda Whitemarsh Schnell, an aide to Johnson, and Rick Esenberg, the president of the Wisconsin Institute for Law & Liberty, the group that is providing Johnson with legal service.

“We haven’t sent a bill because, as a public interest firm that normally does not bill or is paid only at the conclusion of a matter, we tend to bill on a longer cycle than a commercial law firm might,” Esenberg wrote in an email to the Milwaukee Journal Sentinel.

Schnell said the campaign would pay the legal bills once it received them.

The two were responding to a news release from the liberal group One Wisconsin Now that said it had reviewed Johnson's campaign finance reports but found no indication of payments to or obligations for WILL.

Johnson in January filed a lawsuit to block the federal government from helping to pay for health care coverage for members of Congress and their staffs. He said at the time he hoped to raise money through his campaign fund to pay for the effort.

The lawsuit caused rifts within Johnson's party, with U.S. Rep. Jim Sensenbrenner -- a Republican from Menomonee Falls -- calling it a "political stunt."

In November, the Senate Ethics Committee told Johnson he had to pay the fair market value of legal services but could use personal money or campaign funds to pay those costs.

At the request of the Milwaukee Journal Sentinel, Johnson's office on Tuesday released a copy of the letter he received from the committee's chief counsel, John Sassaman, that detailed the rules he must follow.

Find this article at:

<http://www.jsonline.com/blogs/news/259083561.html>

☐ Check the box to include the list of links referenced in the article.

The Washington Post [Print](#)

38 GOP lawmakers join Ron Johnson's Obamacare lawsuit

By Ed O'Keefe Updated: April 22 at 8:16 am

This item has been updated.

Thirty-eight Republican lawmakers are signaling support for a lawsuit filed by Sen. Ron Johnson (R-Wis.) that challenges a rule by the Obama administration allowing the federal government to subsidize health insurance for lawmakers and some congressional staffers.

With the health-care law exceeding enrollment expectations and legislative attempts to undo the law failing to advance beyond the GOP-controlled House, Johnson's lawsuit is one of the few other attempts underway to chip away at the law.

Johnson filed the lawsuit in January against the Office of Personnel Management, arguing that the agency's ruling runs counter to the intent of the Affordable Care Act.

OPM ruled last year that lawmakers and their staff who will have to get their health insurance through the law would continue to receive a government contribution toward premiums this year, but only if they enroll in a specific ACA plan. The policy was issued as House Republican leaders floated a plan, as part of maneuvering last year during a budgetary deadlock, to end that contribution for Congress and certain employees who will be forced out of their current health program.

The administration's policy keeps the subsidy in place only for members of Congress and affected staff who enroll in a Small Business Health Options Program (SHOP) plan in the District of Columbia. Such plans most commonly will be aimed at employees of businesses with fewer than 50 workers. So far, more than 12,000 lawmakers and congressional staffers have enrolled in SHOP plans, constituting a majority of enrollees.

The Justice Department has asked a federal judge in Wisconsin to dismiss Johnson's lawsuit, arguing that Johnson hasn't been "directly injured" by the regulation and has no legal standing to sue. Johnson is one of at least five senators who are insured by their family or spouse's private insurance plan or purchased their own private coverage instead of a government-backed plan.

For now, the lawsuit continues, and on Tuesday 38 GOP lawmakers plan to file an amicus brief, writing that the "unlawful executive action" by OPM "is not an isolated incident."

"Rather," the lawmakers write, "it is part of an ongoing campaign by the Executive Branch to rewrite the Affordable Care Act ('ACA') on a wholesale basis. If left unchecked, that campaign threatens to subvert the most basic precept of our system of government: The President of the United States is constitutionally obligated to take care that the law be faithfully executed; he does not have the power to modify or ignore laws that have been

duly enacted by Congress and that he believes are constitutional."

"In pursuing its strategy of unilateral governance, the Executive Branch has aggressively sought to frustrate judicial review of its actions. But courts must not shrink from their duty to enforce limits on executive power when necessary to protect the rights of individuals in actual cases and controversies. This case is a prime example," they add.

Co-signers of the brief include Sens. Ted Cruz (R-Tex.), John McCain (R-Ariz.), Saxby Chambliss (R-Ga.), Mark Kirk (R-Ill.) and Tim Scott (R-S.C.) and Reps. Marsha Blackburn (R-Tenn.), Tom Cotton (R-Ark.), David Jolly (R-Fla.), Thomas Massie (R-Ky.) and Matt Salmon (R-Ariz.).

But there is some GOP resistance to Johnson's legal campaign. Rep. Jim Sensenbrenner (R-Wis.), among others, had urged the first-term senator not to proceed with his suit, saying it was a fruitless attempt to stop the law.

Notably, Johnson has said that he will use his campaign account to help raise funds for the suit, a move that will likely help him identify new financial donors for his 2016 reelection, which is expected to be an uphill climb since Wisconsin usually leans Democratic in presidential election years.

The lawmakers signed on after nearly two dozen conservative organizations, including Americans for Tax Reform, Heritage Action for America and the Family Research Council, urged Republican lawmakers to sign the amicus brief.

Clarification: This item has been updated to reflect that Johnson and his wife have purchased private health-care coverage with their own money, instead of using government subsidies or enrolling in a government-backed plan.

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